

EXHIBIT “E”



March 19, 2020

Al and Meghan LaBella
Blue Diamond Sheet Metal, Inc.
1165 Station Road
Medford, NY 11763

Dear Mr. & Mrs. LaBella:

We have reviewed your request for financing. BNB Bank (the "Bank") is pleased to provide this **Term Sheet** to summarize the preliminary terms and conditions under which the Bank would consider originating credit facilities to you through a program of the U.S. Small Business Administration (the "SBA"). This proposal is based on our evaluation of facts currently presented and known to us. Any material change in the facts as presented or as disclosed during our due diligence process could result in a revision to all or part of the terms contained herein, including complete withdrawal. These terms are subject to change and any financing to be provided by the Bank will be subject to approval by the Bank and other parties as applicable.

Loan Types:

- 1) SBA 7a Term Loan
- 2) SBA 504
- 3) Business Line of Credit
- 4) Business Line of Credit

Loan Amount:

- 1) \$4,500,000, or 100% of appraised business and equipment value, whichever is less
- 2) \$2,250,000, or 50% of the appraised property value, whichever is less
- 3) \$2,200,000
- 4) \$1,000,000

Borrower(s):

- 1) Blue Diamond Sheet Metal, Inc.
- 2) Blue Station Realty LLC
- 3) Blue Diamond Sheet Metal, Inc.
- 4) Diam-N-Blu Mechanical Corp

Guarantor(s):

- 1) Al LaBella, Meghan LaBella, Blue Station Realty, Mirage Mechanical Systems Inc., Diam-N-Blu Mechanical Corp.
- 2) Al LaBella, Meghan LaBella, Blue Diamond Sheet Metal, Inc., Mirage Mechanical Systems Inc., Diam-N-Blu Mechanical Corp.
- 3) Al LaBella, Meghan LaBella, Mirage Mechanical Systems Inc., Diam-N-Blu Mechanical Corp.
- 4) Al LaBella, Meghan LaBella, Mirage Mechanical Systems Inc., Blue Diamond Sheet Metal, Inc.

SBA Fees:

These fees are due and payable to the SBA

- 1) SBA 7A guarantee \$124,062.50
- 2) SBA 504 guarantee .05% of the loan amount
- 3) SBA 504 Funding fee .025% of the loan amount
- 4) SBA 504 processing fee .15% of the loan amount
- 5) SBA 504 underwriting fee approx. \$5,136

SBA 7A Packaging Fee:

- 1) \$2,500 to be collected at approval

Interest Rates:

- 1) WSJ Prime Rate plus 1.50%, adjusting the first day of each calendar quarter
- 2) Interest will be fixed for 10 years at the 10-year US Treasury + 2.75%, floor of 3.50%.
- 3) Prime +.25% floating, floor of 3.5%
- 4) Prime +.25% floating, floor of 3.5%

**Loan Term/
Amortization:**

- 1) 10 year (120 months) term, fully amortizing
- 2) 10 year (120 months) term, amortizing based on 25-year schedule
- 3) 1 year term, Interest only
- 4) 1 year term, Interest only

**Prepayment
Penalty:**

- 1) There is no prepayment penalty
- 2) Borrower may prepay the principal balance, in whole or in part, subject to a prepayment penalty of five (5%) percent of the amount so prepaid in the event said prepayment occurs during the first two years of the Loan; four (4%) percent of the sum prepaid during years three and four of the Loan; three (3%) percent of the sum prepaid during years five and six of the Loan; two (2%) percent of the sum prepaid during years seven and eight of the Loan; and one (1%) percent of the sum prepaid during year nine and no prepayment penalty during the last year of the Loan term. Borrower may prepay up to ten (10%) percent of the principal balance of the Loan each year without penalty or premium.
- 3) none
- 4) none

**Minimum Debt Service
Coverage Ratio (DSCR):**

- 1.25x measured against EBITDA commencing with 12/31/2020 fiscal period

Collateral:

- 1,2, 3 & 4) UCC filing on all assets of Borrower and Corporate Guarantors.

- 1) The SBA standard for available collateral must be met, requiring pledges of residential properties from principals with ownership in excess of 20%.
- 2) 1st mortgage, assignment of rents and leases, on property at 1165 Station Road, Medford, NY, 100% occupied by Blue Diamond Sheet Metal and affiliates

Deposit Accounts:

The SBA loans require the Borrowing Entity(s) to maintain a deposit account with BNB for payment purposes. BNB conventional loans require the Borrower to maintain their primary operating accounts with the Bank.

Other Conditions:

The proposal for facility 2 is contingent upon Borrower obtaining SBA authorization for financing of approximately \$1,284,000.

Borrower to pay all attorney and any other costs incurred by BNB associated with underwriting and closing the loan including appraisals and business evaluation.

At the Borrower's expense, BNB will obtain from a qualified appraisal firm both a business and equipment valuation. The business valuation will determine the level of loan available for the acquisition and substantiate the principal's equity interest in the companies. The equipment valuation will be utilized to determine collateral availability.

Life insurance on principals (amount to be determined) to be assigned to Bank.

Lease – prior to closing, a lease for the business will be required with a term to match the maturity of the proposed loans. Also, prior to closing, all applicable insurance policies for liability and protection of collateral assets at the business location will be provided as well as all other policies deemed required by Bank counsel for worker's compensation and other related coverages.

Standby/Subordination – the shareholder loans shown on the balance sheet will be subordinated for the term of the loan.

Advances for Facilities 3 & 4 will be subject to an advance formula of 85% of eligible accounts receivable. A monthly Borrowing Base Certificate with supporting schedule of aged accounts receivable will be required by the 10th day of each month.

Equity Injection

None anticipated but equity of remaining owners to be verified at business valuation.

During the term of the Loans and any extension thereof:

- The Borrower and Corporate Guarantors will maintain their primary operating accounts with the Bank during the Loan Term.
- The Borrower and Corporate Guarantors shall submit to the Bank copies of their federal tax returns within 90 days of the date of filing.
- The Borrower and Corporate Guarantors shall submit to the Bank copies of their business financial statements, prepared by an Independent CPA within 120 days of the FYE, beginning with FYE 2019 and semi-annual statements within 90 days of period ending.
- The Individual Guarantor shall submit to the Bank copies of their financial statements on an annual basis and federal tax returns within 90 days of the date of filing.
- All shareholder and affiliated entity loans shall be subordinated to Bank. Interest and principal payments will be permitted if there is no event of default and debt service coverage ratios are in compliance.

Use of Loan Proceeds:

- 1) Purchase of 75% of the stock of all operating entities
- 2) Purchase of 75% of the stock of Blue Station Realty LLC and refinance of existing 1st mortgage loan balance.
- 3) Working capital needs of Blue Diamond Sheet Metal Inc.
- 4) Working capital needs of Diam-N-Blue Mechanical Corp.

Estimated Expenses:

There will be expenses incurred by the Bank and paid by you in the course of underwriting your Loan Request. These expenses may include appraisals, searches, credit reports, flood determinations, and other verifications, and are subject to change. In the event your loan request is approved by the Bank, you will also be responsible for paying closing expenses including Bank counsel that will be itemized by the Bank prior to loan closing.

Confidentiality:

This letter is delivered with the understanding that neither it nor its substance will be disclosed except to the Borrower, its employees, legal counsel and accountants who are directly involved in Borrower's consideration of the contemplated transaction. Borrower agrees to advise those to whom authorized disclosure is made of the confidential nature of this matter.

This letter is provided for discussion purposes only. Its purpose is to set forth a general outline of the preliminary loan terms, and does not, and should not be construed as a commitment, implied or otherwise, on the part of the bank to provide financing as described herein, but is merely an expression of interest. Until a written loan commitment is issued by the Bank and accepted in writing by the undersigned (or a designee approved by the Bank), the Bank shall have no obligation or liability by virtue of the continuation or termination of the discussion contemplated herein. The Bank reserves the right to alter the terms contained herein at its sole discretion.

If you are agreeable to the terms and conditions outlined above, and wish to proceed with this request, please sign and return this proposal along with a deposit of \$15,000 that will be applied towards out of pocket expenses including the business appraisal, equipment evaluation, real estate appraisal and environmental report. In the event of Bank approval, additional costs will be incurred to close the loan including attorney fees, searches, and the guarantee fee. If the loan is not approved, any unused portion of the deposit will be refunded. This proposal will expire in 10 days from date of this letter. If any questions arise, please call the undersigned at (631) 537-1000 x8732.

If you are in agreement with the foregoing terms and conditions, please sign, date and return this letter, along with the information requested.

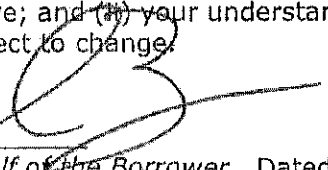
Sincerely,

BNB Bank


JoAnn Bello, SVP
Middle Market Commercial Lending


Please acknowledge: (I) your acceptance of the terms and conditions in this Term Sheet as of the date first written above; and (ii) your understanding that the terms and conditions herein are non-binding and subject to change.

Al LaBella


Individually and on behalf of the Borrower

Dated: 3/19/20

Meghan LaBella


Individually and on behalf of the Borrower

Dated: 3/19/20



Josh Lieber
Vice President
534 Broadhollow Rd., Suite 430, Melville NY 11747
Office 516.473.2067 Fax 516.846.2705

BORROWER: Blue Station Realty LLC

USES OF FUNDS:

| | |
|--------------|-----------------------|
| Land | \$0.00 |
| Building | \$5,740,000.00 |
| Renovations | \$0.00 |
| Equipment | \$0.00 |
| Soft Costs | <u>\$85,000.00</u> |
| TOTAL | \$5,825,000.00 |

| | |
|-------------------------------------|-----------------------|
| EQUITY CONTRIBUTION (23.16%) | \$1,349,000.00 |
|-------------------------------------|-----------------------|

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|---|-----------------------|
| DEBENTURE PRICING FOR S.B.A. 504 LOAN (26.84%) | \$1,563,500.00 |
|---|-----------------------|

Administrative Costs:

| | | |
|-------------------------------|-------------|--------------------|
| 1. SBA Guaranty Fee (.005x) | \$7,817.50 | |
| 2. Funding Fee (.0025x) | \$3,908.75 | |
| 3. CDC Processing Fee (.015x) | \$23,452.50 | |
| 4. Closing Costs | \$2,500.00 | |
| 5. Underwriters Fee | \$6,432.00 | |
| 6. Total Admin. Costs | | \$44,110.75 |

| | |
|-------------------------------|-----------------------|
| Total Debenture Amount | \$1,608,000.00 |
|-------------------------------|-----------------------|

| | |
|----------------------------|-----------------|
| Balance To Borrower | \$389.25 |
|----------------------------|-----------------|

504 DEBENTURE FINANCING

| | |
|-------------------------------------|----------------|
| Debenture Amount | \$1,608,000.00 |
| Effective Interest Rate (fixed) (A) | 3.03% (A) |
| Term (years) | 25 |
| Monthly Payment (amortized) | \$7,650.43 |

BANK FINANCING (50.00%)

| | |
|-----------------------------|----------------|
| Loan Amount | \$2,912,500.00 |
| Interest Rate | 3.50% |
| Amortization (years) | 25 |
| Monthly Payment (amortized) | \$14,580.66 |

| | Monthly | Annual |
|---------------------------|--------------------|---------------------|
| TOTAL DEBT SERVICE | \$22,231.09 | \$266,773.12 |

| | |
|---------------------------------------|--------------|
| Weighted Average Interest Rate | 3.33% |
|---------------------------------------|--------------|

(A) The 504 Interest Rate is an "Effective Interest Rate" which includes several parts; the Coupon Rate, SBA rate, CDC rate and CSA rate. This interest rate is a Market driven rate which is determined on a monthly basis for each bond sale. The rate shown here is the most recent rate and should not be interpreted to be the rate for your loan.